

Review of European legislative actions in December 2009

1. Consultation period elapsed for:

CESR Consultation paper on Money Market Funds definition
CESR Consultation on definition of advice under MiFID
CESR Consultation paper on Inducements: Good and Poor practices

2. New consultations

Commission proposes the review of MiFID. The review shall focus on the following issues:

- Best Execution
- Conduct of Business Rules
- Waivers and Dark Pools
- Crossing Networks
- Data Consolidation /Consolidated Tape

With regards to the review, there are meetings with Commission planned for the January 2010.

3. New information

Update on PRIPs was provided by the Commission

http://ec.europa.eu/internal_market/finances-retail/investment_products_en.htm#update_PRIPs

The Commission shall focus on two areas:

- rules on precontractual (as the benchmark will be the information document (the KID) being developed for UCITS)
- selling rules (as benchmark shall serve the MiFID regulation on the conduct of business and conflicts of interests, inducements, appropriateness, suitability, and relevant disclosures)

Preliminary definition of relevant products was provided: „*capital accumulation products (this should also cover certain products where returns are distributed as income) where returns on the product are generated through indirect exposure to underlying assets, such that the investor carries all of the investment risk, or at least some of that risk (where protection or guarantees are offered)*“. Amongst these are the UCITS, non-UCITS, retail structured products and insurance-based investment products.

EUSD: Swedish Compromise Proposal

<http://register.consilium.europa.eu/pdf/en/09/st16/st16473-re01.en09.pdf>

No grandfathering rules for distribution of funds were adapted. Further, no extension of the home country rule provided.